

TAIWAN KOLIN CORP. LIMITED  
Represented herein by Kolin  
Philippines International, Inc.,  
Opposer-Appellant,

-versus-

KOLIN ELECTRONICS CO., INC.,  
Respondent-Appellee.

x-----x

Appeal No. 14-09-40

MNO 2008-065

Opposition to:

Application No. 20-2007-000009

Date Filed: 16 August 2007

Trademark: [www.kolin.ph](http://www.kolin.ph)

## DECISION

TAIWAN KOLIN CORP. LIMITED, represented herein by Kolin Philippines International, Inc. ("Appellant"), appeals Order No. 2008-109 (D), dated 16 July 2008, and Resolution No. 2009-11 (D), dated 23 April 2009, issued by the Assistant Director and Director of the Bureau of Legal Affairs, respectively. The Assistant Director *motu proprio* dismissed the Appellant's opposition to the application for the registration of the mark [www.kolin.ph](http://www.kolin.ph) filed by KOLIN ELECTRONICS CO., INC. ("Appellee") while the Director denied the Appellant's Motion for Reconsideration and affirmed in *toto* the Order No. 2008-109 (D).

Records show that the Appellee filed on 16 August 2007 the Trademark Application No. 20-2007-000009 for [www.kolin.ph](http://www.kolin.ph) for use on the business of manufacturing, importing, assembling or selling electronic equipment or apparatus falling under Class 35 of the NICE Classification.<sup>1</sup> The trademark application was published in the Intellectual Property Office e-Gazette for Trademarks on 11 January 2008. On 12 May 2008, the Appellant filed a "VERIFIED OPPOSITION" alleging the following:

1. It manufactures, sells and distributes television sets, digital video disc players, window-type air-conditioners, split type air-conditioners, washing machine, show case refrigerators, chest type freezers, upright freezers, beverage coolers, water chillers, household and industrial electric fans, dehumidifier, rice cooker, stew cooker, microwave ovens, gas stoves, dish dryer, oven toaster, dishwashing machine, bottle sterilizer, electric air-pot, water heater, grillers and roasters, coffee and tea makers, turbo broiler, juice maker, water dispenser, and other similar appliances and electrical products;
2. It has been in the home appliance business for forty-five (45) years having been established in Taiwan on 08 August 1963 by its founder and honorary chairman Mr. Ke-Chun Lee;
3. It has been using the word "KOLIN" as part of the company name to identify and tender distinct its various products; the term was derived from two Chinese words "Ko", meaning song, and "lin" meaning forest or forest song; one of the Appellant's major products under the brand was black and white television sets and it pioneered the first television with wooden door in Taiwan;
4. Using the KOLIN brand and trademark for its home appliances, it entered into various agreements with heavy weight Asian and American electric companies (Japan Mitsubishi Electric Company and Kelvinator International Group) to further expand its reach and enter other markets and started to manufacture other home appliances such as refrigerators, air-conditioners, washers and dehumidifiers;
5. As a result of its vigorous efforts to expand its operation and sales in different countries, its products became available and widely known in various countries such as Taiwan, China, Japan, Singapore, Vietnam, Malaysia, Philippines and the United States of America; at the same time, it built and established an enormous valuable goodwill and reputation in its mark;

6. As early as 1996, its products under KOLIN have been made available in the Philippines and it authorized Kolin Philippines International, Inc. to market, promote, distribute and sell its home appliances in the Philippines and to register KOLIN before this Office;
7. To further enhance the goodwill and brand recall of KOLIN in the Philippines, it appropriates and spends a substantial portion of its yearly budget for promotion and advertisement;
8. It promotes KOLIN through extensive advertising and marketing campaigns; marketing and promotional activities are made by means of advertisements in radio and television shows, magazines and newspapers of general circulation; it also participates in youth development program through sports;
9. Simultaneous to its marketing and promotional campaigns, a nationwide distributorship has been firmly established with major appliance stores and dealers; excellent and highly accessible after sales service have also made KOLIN a sign of quality and reliability, ensuring that customers are served through a system of nationwide repair and service centers;
10. As a result of its extensive promotional efforts and excellent customer care, it has created an immense goodwill and reputation of KOLIN;
11. It has filed trademark applications for KOLIN for goods falling under Class Nos. 11 and 21 of the NICE Classification in 2002;
12. The registration of [www.kolin.ph](http://www.kolin.ph) will cause grave and irreparable injury to its goodwill, reputation and business in the brand KOLIN;
13. Its trademark applications for KOLIN were filed earlier than [www.kolin.ph](http://www.kolin.ph) and, thus, the Appellee's mark cannot be registered under Sec. 123.1 (d) of the Intellectual Property Code of the Philippines ("IP Code");
14. The Appellee's trademark application violates the rule requiring a specific description of goods, business or services and [www.kolin.ph](http://www.kolin.ph) does not function as a mark;
15. Its mark KOLIN is internationally-well known and its extensive and nationwide promotion of its products by means of advertisements in radio and television shows, magazines and newspapers all over the Philippines has made KOLIN popular among Filipinos-, its excellent after sales service also contributed to its popularity;
16. As proof of its popularity due to its reputation for quality, it bagged numerous awards and recognitions given by public and private sector award giving bodies;
17. The Appellee's registration and use of [www.kolin-ph](http://www.kolin-ph) violates Sec. 123.1 (e) of the IP Code, to the damage and prejudice of the goodwill and reputation of its mark; and
18. To allow the registration of [www.kolin.ph](http://www.kolin.ph) would prejudice its numerous customers, both existing and potential; ultimately it is the Filipino buying public that would be prejudiced by this registration as they would be deprived of the quality and efficient service and/or after sales service which the Appellant is widely known for.

In his Order dismissing the opposition, the Assistant Director ruled that the documents submitted by the Appellant are all photocopies contrary to the provisions of Sections 7.1 and 7.3 of Office Order No. 79, Series of 2005, which amended the provisions of the Regulations on Inter Partes Proceedings ("Regulations").<sup>2</sup>

Consequently, the Appellant filed on 01 September 2008 a "MOTION FOR RECONSIDERATION (Re: Order dated 16 July 2008)" which was denied by the Director. Dissatisfied, the Appellant filed on 21 May 2009 an "APPEAL MEMORANDUM" reiterating its arguments in opposing the registration of [www.kolin.ph](http://www.kolin.ph) and alleging the following:

1. It did not intend to disrespect this Office or act in disregard of the requirements of the Regulations as its inability to attach the original copies of the documentary exhibits was due solely to the fact that it was set to simultaneously file two separate verified oppositions which use common documentary exhibits;
2. It deemed it prudent to first retain the original copies of these documentary exhibits and in the meantime attach to the verified oppositions the photocopies of these exhibits with the end in view of presenting the original copies in the course of the proceedings;
3. Under the Regulations, the original copies of the documentary exhibits may be submitted even after the filing of the opposition;
4. The submission of the original copies of its documentary exhibits on motion for reconsideration should have merited the reconsideration of this Office; and
5. Procedural rules must be liberally applied when there is a justifiable cause or compelling reason for its non-compliance.

The Appellee filed on 03 August 2009 its "COMMENT (To Appeal Memorandum dated 21 May 2009)" alleging the following:

1. The opposition was clearly not in due form as required by the Regulations;
2. The Appellant failed to give any justifiable cause or compelling reason for its inability to attach the originals of its documentary exhibits to the opposition;
3. A liberal application of the requirement on the submission of originals or certified copies of documentary exhibits would open the floodgates for similar violations and excuses;
4. The Regulations only allow the submission of additional original documentary exhibits if original exhibits were initially filed with the opposition;
5. The belated filing of the original documentary evidence 111 the motion for reconsideration cannot cure the fatal defect of the opposition;
6. The evidence submitted by the Appellant did not prove its ownership of KOLIN so as to prevent the registration of [www.kolin.ph](http://www.kolin.ph).
7. It is the owner of KOLIN and it has proven its first use of the same in 1989; it has vested rights over KOLIN by virtue of its prior use thereof in Philippine commerce and the Appellant's alleged prior application cannot supersede its prior ownership and use of KOLIN;
8. It is the registered owner of KOLIN in Class 35 under Cert. of Reg. No. 4-2007-005421 issued on 22 December 2008 for the business of manufacturing, importing, assembling, or selling electronic equipment or apparatus;
9. The Appellant's use of KOLIN abroad is irrelevant to this case;
10. The Bureau of Trademarks after examining the application was fully convinced that it is entitled to register [www.kolin.ph](http://www.kolin.ph).

11. KOLIN is not internationally well-known so as to prevent the registration of [www.kotiii.ph](http://www.kotiii.ph).  
and
12. The dismissal of the opposition is proper since no proof was submitted that the filing of the opposition was authorized by the Appellant.

Pursuant to Office Order No. 197, Series of 2010, Mechanics for IPO-Mediation and Settlement Period, this case was referred to mediation. The parties were ordered to appear in the IPOPHL Mediation Office on 21 February 2011 to consider the possibility of settling the dispute.<sup>3</sup> On 11 March 2011, this Office received from the IPOPHL Arbitration and Mediation Center a copy of the "MEDIATOR'S REPORT" stating the refusal of the parties to mediate.

Rule 2 Section 3 of the Regulations provides:

Section 3. Original jurisdiction over Inter Partes proceedings. - The Bureau shall have original jurisdiction over Inter Partes proceedings. The proceedings shall be heard before the Director, Assistant Director or the duly designated Hearing Officer. The Director, however, shall render issue and sign all decisions and final orders.<sup>4</sup>

In this regard, the Assistant Director had no authority to issue Order No. 2008109 (D) which is a final order dismissing the Appellant's opposition to the registration of [www.kolin.ph](http://www.kolin.ph) in favor of the Appellee. Nonetheless, the Director issued Resolution No. 2009-11 (D), which "affirmed in *toto*" the Assistant Director's Order No. 2008-109 (D). Thus, the relevant question in this case is whether the Director was correct in dismissing the opposition.

Sec. 134 of Republic Act No. 8293, known as the Intellectual Property Code of the Philippines (JP Code) provides that:

SEC. 134. Opposition.- Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication referred to in Subsection 133.2, file with the Office an opposition to the application. Such opposition shall be in writing and verified by the oppositor or by any person on his behalf who knows the facts, and shall specify the grounds on which it is based and include a statement of the facts relied upon. Copies of certificates of registration of marks registered in other countries or other supporting documents mentioned in the opposition shall be filed therewith, together with the translation in English, if not in the English language. For good cause shown and upon payment of the required surcharge, the time for filing an opposition may be extended by the Director of Legal Affairs, who shall notify the applicant of such extension. The Regulations shall fix the maximum period of time within which to file the opposition.

Rule 2 Sections 7.1, 7.2 and 7.3 of the then existing Regulations are explicit in stating that:

Rule 2 x x x

7.1. The petition or opposition, together with the affidavits of witnesses and originals of the documents and other requirements, shall be filed with the Bureau, provided, that in case of public documents, certified copies shall be allowed in lieu of the originals. The Bureau shall check if the petition or opposition is in due form as provided in the Regulations particularly Rule 3, Section 3; Rule 4, Section 2; Rule 5, Section 3; Rule 6, Section 9; Rule 7, Sections 3 and 5; Rule 8, Sections 3 and 4. For petition for cancellation of layout design (topography) of integrated circuits, Rule 3, Section 3 applies as to the form and requirements. The affidavits, documents and other evidence shall be marked consecutively as "Exhibits" beginning with the letter A'.

7.2. The prescribed fees under the IPO Fee Structure shall be paid upon the filing of the petition or opposition otherwise, the petition or opposition shall be considered as not filed.

7.3. If the petition or opposition is in the required form and complies with the requirements including the certification of non-forum shopping, the Bureau shall docket the same by assigning the Inter Partes Case Number. Otherwise, the case shall be dismissed outright without prejudice. A second dismissal of this nature shall be with prejudice.

The Appellant failed to attach the original documents in its opposition which is required by the Regulations. The Director was, therefore, correct in dismissing the opposition. Procedural rules are not to be belittled or dismissed simply because their non-observance may have resulted in prejudice to a party's substantive rights. Like all rules, they are required to be followed except only for the most persuasive of reasons when they may be relaxed to relieve a litigant of an injustice not commensurate with the degree of his thoughtlessness in not complying with the procedure prescribed. Rules of procedure, especially those prescribing the time within which certain acts must be done, are absolutely indispensable to the prevention of needless delays and to the orderly and speedy discharge of business.<sup>5</sup>

But even if this Office would set aside technicalities and consider the Appellant's explanation that its inability to attach the original copies was due solely to the fact that it was set to simultaneously file two separate verified oppositions, which made use of common documentary exhibits, the appeal is still not meritorious.

This Office noted that this case involves the ownership of "KOLIN" which is the main feature of the Appellee's trademark application. The Appellee aptly pointed out that:

It is beyond cavil that Kohn Electronics is also the registered owner of the mark "KOLIN" in International Class 35 for "the business of manufacturing, importing, assembling, or selling electronic equipment or apparatus" under International Class 35, as evidenced by its Certificate of Registration No. 4-2007-005421 issued by the IPO on 22 December 2008. The application for the said mark breezed through registration without Taiwan Kolin or any of its Philippine subsidiaries opposing the same. As such, Taiwan Kolin is now estopped from assailing all of the rights that come with the registration of Kolin Electronics "KOLIN" mark in Class 35.

Part of Kolin Electronics' rights as the registered owner of the mark "KOLIN" in Class 35 necessarily includes the registration of the said mark as a domain name in Class 35. Moreover, Kolin Electronics has already prevailed against Taiwan Kolin's application for the registration of the mark "KOLIN" in Class 35. Having been granted such unequivocal right to exclusively sue the name "KOLIN" in Class 35, Kolin Electronics' application for the registration of the domain name "w~vkv.kolin.ph" as a service mark in Class 35 was merely an exercise of this right. Certainly, in today's internet-wired market, selling electronic equipment's or apparatus includes the registration of a domain name to establish an online presence. To preclude Kohn Electronics from this right would unduly limit the scope of "selling" and antiquate the concept in relation to the current times. We are now in an information age where selling products must necessarily include an online presence. In the 21st Century market, information of the products sold must necessarily be provided in all avenues including media, print and online. The registration of a domain name is vital to accomplishing an online presence.<sup>6</sup>

Sec. 138 of the IP Code provides that a certificate of registration of a mark shall be *prima facie* evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. In the present case, the Appellee was issued on 22 December 2008 a certificate of registration for KOLIN for use on the business of

manufacturing, importing, assembling or selling electronic equipment or apparatus<sup>7</sup> This certificate of registration is valid for ten (10) years from the date of issuance and entitles the Appellee to the exclusive right to use KOLIN III relation to the goods/ services covered by the registration. Accordingly, the Appellee's application to register and use the mark [www.koliii.ph](http://www.koliii.ph) is consistent with its exclusive right to use KOLIN on the business of manufacturing, importing, assembling or selling electronic equipment or apparatus.

This Office is not unmindful of the Appellant's own trademark applications /registration also for the mark KOLIN. These trademark applications/registrations, however, refer to goods/ services not related to the Appellee's goods and services covered by the instant trademark application. This decision, thus, seeks to clarify that the registration of [www.kolin.ph](http://www.kolin.ph) in favor of the Appellee is limited to the services covered by the Appellee's Trademark Application No. 20-2007-000009 which is for use on the business of manufacturing, importing, assembling or selling electronic equipment or apparatus falling under Class 35 of the NICE Classification.

WHEREFORE, premises considered, the instant appeal is hereby DISMISSED. Let a copy of this Decision and the records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

November 23, 2011, Taguig City

RICARDO R. BLANCAFLOR  
Director General

#### FOOTNOTES:

1 The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of marks concluded in 1957.

2 On 29 June 2011, this Office issued Office Order No. 99 Series of 2011 further amending the Regulations.

3 Order dated 01 February 2011.

4 Pursuant to Office Order No. 99 Series of 2011, Rule 2 Section 3 of the Regulations now read as follows:

Section 3. Original jurisdiction over Inter Partes proceedings.- The Bureau shall have original jurisdiction over Inter Partes proceedings. The Director, the Assistant Director, and/or the Hearing/Adjudication Officers shall issue and sign orders and other processes. However, all decisions and final orders shall be issued and signed by the Director, or by the Committee of Three in petitions to cancel patents as the case maybe.

5 See *Lazaro, et al. res. Court of Appeals et al*, G. R. No. 137761, 06 April 2000.

6 See COMMENT (To Appeal Memorandum dated 21 May 2009), pages 21-22. Cert. of Reg.

7 No. 4-2007-005421.